

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is entered into this 25th day of January, 2017, by and between DEANNA LOVE a resident of the State of California ("Seller") and JEFF CHANG, a resident of the State of California, ("Buyer"). The parties hereto shall be known as the Parties or a Party individually.

### WITNESSETH

WHEREAS, Seller is licensee and operator of AM radio station KQTE-AM, Helendale, California, Facility ID 160413 (the "Station");

WHEREAS, Seller has been notified that as of February 10, 2017, the Station's transmission facilities must be removed from the antenna tower and the transmitter enclosure leased from the Helendale Community Services District;

WHEREAS, Buyer desires to acquire and safeguard the Station's Tangible Personal Property and to acquire the Station's FCC License (collectively the "Assets" set forth on Exhibit 1 attached hereto); and

WHEREAS, the transaction contemplated herein may not consummate nor shall the FCC License be assigned to Buyer until such time that the FCC has granted its consent and approval to the transaction represented herein.

NOW, THEREFORE, subject to all conditions precedent and the terms herein, in consideration of the mutual promises and covenants herein contained, the Parties, intending to be legally bound agree as follows:

1. Purchase Price and Consideration: The Purchase Price to be paid by Buyer to Seller for the Assets to be conveyed pursuant to this Purchase Agreement is Forty Thousand Dollars (\$40,000.00) via wire funds or cashier's check. Additional consideration shall be provided by Buyer as follows:

(a) Buyer shall (at Buyer's expense) assist Seller in the removal of all transmission electronics and antenna system from the Station's tower site located at 26538 Lakeview Dr., Helendale, California. Rent for the tower site has been paid by Seller for the month of January, 2017 and in the event there is a holding over into February, Buyer will pay directly or reimburse Seller for pro-rated rent as is appropriate.

(b) Buyer shall (at Buyer's expense) assist Seller in the removal of all office/studio equipment, furniture, and fixtures from the Station's current office/studio site located at 26464 National Trails Highway, Helendale, CA 92342, if it mutually beneficial to do so, and Buyer will safeguard and store such equipment at its own expense. In the event there is a holding over into February or beyond, Buyer will pay directly or reimburse Seller for pro-rated rent as is appropriate.

(c) Due to the necessity of vacating the Station's transmission facilities, at such time that the Station has gone silent, Seller shall cause a Request for Special Temporary Authority ("STA") to be silent to be filed with the FCC within 30 days of such cessation of service and in the event there is a filing fee associated with the STA request, Buyer will pay directly or reimburse Seller for such fee.

(d) The Parties shall cooperate in the re-establishment of the Station's operations whether at a temporary site or a permanent site the expenses of which shall be the responsibility of Buyer.

(e) In the event the Parties are not able to satisfactorily relocate and re-establish the Station's transmission facilities such that after one (1) year and a day the Station's License is expunged, all Assets shall remain the property of Buyer and at such time neither Party will have any further obligation to the other.

(f) The Parties mutually acknowledge and warrant to each other that the successful relocation and re-establishment of the Station's transmission facilities is not a condition precedent to the consummation of the transaction represented herein.

(g) In the event the assignment represented herein has not consummated and there is one or more FCC filing windows by which AM stations may file to obtain an FM translator, the Parties agree to work cooperatively, at Buyer's expenses, in such a filing request in accordance with the FCC's application procedures.

2. Purchase Price Allocation: The Purchase Price shall be paid and allocated as set forth on Exhibit 2 attached hereto.

3. Closing: The transaction represented herein shall consummate (the "Closing") within five (5) days of FCC staff approval (the "Closing Date") at a place and time mutually agreeable to the Parties.

4. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

(a) Standing. Seller is now and on the Closing Date shall be the authorized licensee of the Station, is a resident of the State of California and licensed to conduct business in the State of California.

(b) Authorization. All necessary action to approve the execution, delivery, and performance of this Purchase Agreement and the consummation of the transaction represented herein has heretofore been taken and this Agreement constitutes a valid and binding agreement of enforceable in accordance with its terms.

(c) FCC Authorizations. The FCC License constitutes all of the Federal authorizations required for and/or used in the operation of the Station, and the FCC License is now and on the Closing Date will be in full force and effect.

(d) FCC Actions. Seller has received no notice and has no knowledge of any pending, issued, or outstanding order by or before the FCC, or threatened, any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability, Notice of Forfeiture, or material complaint against the License or the Station. In the event of the occurrence of any such action, or the filing or issuance of any such order, notice, or material complaint, or the disclosure of the threat thereof, Buyer shall be notified of same in writing within five (5) business days of such event and Seller shall take all reasonable measures to contest in good faith or seek removal or rescission of such action, order, notice, or complaint.

(e) Operations. From the date hereof until the Closing Date, the FCC License will be prosecuted and maintained in compliance with all requirements of the Communications Act of 1934, as amended, and the rules, regulations, policies, and procedures of the Commission.

5. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that:

(a) Organization and Standing. Buyer is now and upon the Closing Date shall be an individual residing in the State of California and licensed to do business in the State of California.

(b) Authorization. All necessary action to approve the execution, delivery, and performance of this Agreement and the consummation of the transaction represented herein has been taken by Buyer, and this Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms.

(c) Absence of Restrictions. No un-waived contract, agreement, or other instrument or condition exists or on the Closing Date will exist which restricts, limits, or in any manner affects any aspect of this Agreement or the transaction contemplated hereby. The execution, delivery, and performance of this Agreement and the transaction contemplated hereby by Buyer do not, and will not at Closing Date, conflict with or result in the termination or breach of any terms, condition, or provisions of, or constitute a default under any contract, lease, agreement, or other instrument or condition by which Buyer is bound.

(d) Buyer's Qualifications. Buyer knows of no reason, circumstance, or condition existing, or reasonably to be anticipated, which would result in a finding by the FCC that it is not qualified legally, financially, or otherwise to be the permittee or to be the licensee of the Station, and Buyer will take no action to permit any condition to exist which would disqualify Buyer from becoming such a permittee or licensee.

6. Termination Due To Breach.

(a) In the event of a material breach by Buyer of any term or condition of this Agreement or any representation or warranty contained herein which would render Buyer unable to perform its obligations under this Purchase Agreement, and the continuance of said breach without cure for a period of twenty (20) calendar days following written notice to Buyer, Seller may in its discretion terminate this Agreement without cost, penalty, or liability of any kind upon written notice to Buyer.

(b) In the event of a material breach by Seller prior to the Closing Date of any term or condition of this Purchase Agreement or any representation or warranty contained herein, and the continuance of said breach without cure for a period of twenty (20) calendar days following written notice by Buyer to Seller, Buyer may in its discretion terminate this Purchase Agreement without cost, penalty, or liability of any kind upon written notice to Seller, subject to Buyer's right to seek specific performance pursuant to Section 6 (c) hereinbelow;

(c) Because the FCC License to be assigned pursuant to the terms of this Purchase Agreement is unique and not readily available on the open market, either Party would be seriously damaged should the transaction represented herein not be consummated through no fault of its own but for reasons attributable to the offending Party. Accordingly, in the event of a default or breach of the terms of this Agreement by Seller, Buyer shall have the right to seek to enforce the terms of this Agreement by a decree of specific performance. This right shall not be exclusive of rights at law for damages to include without limitation the expenses associated with the transaction contemplated herein, and in the event of a default or breach of the terms of this Agreement by Buyer, Seller shall have the right to seek damages in any Court of competent jurisdiction.

7. Indemnification by Seller. Seller agrees that it shall indemnify and hold Buyer harmless from and against (a) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees and disbursements suffered, directly or indirectly, by Buyer by reason of, or arising out of any breach of representation or warranty made by Seller pursuant to this Agreement, (b) any failure by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, or (c) any failure by Seller to pay or perform when due any of the Retained Liabilities.

8. Indemnification by Buyer. Buyer agrees that it shall indemnify and hold Seller harmless from and against (a) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees and disbursements suffered, directly or indirectly, by Seller by reason of, or arising out of any breach of representation or warranty made by Buyer pursuant to this Agreement or (b) any failure by Buyer to perform or fulfill any of its covenants or agreements set forth in this Agreement.

9. Bulk Sales Law. Buyer hereby waives compliance by Seller with any Bulk Sales Law which may apply to this transaction, and Seller warrants and agrees to pay and discharge when due all claims of creditors which could be asserted against Buyer by reason of such non-compliance to the extent that such liabilities arise before the Closing and are not specifically assumed by Buyer under this Agreement.

10. Seller's Performance at Closing. On the Closing Date at the Closing Place, Seller shall execute and deliver or cause to be delivered to Buyer, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) One or more assignments assigning to Buyer the FCC License to be acquired by Buyer hereunder;

(b) An assignment assigning to Buyer any contracts, leases, or agreements to be assigned to Buyer hereunder together with necessary consents thereto and the original copies of said contracts, leases, agreements, and consents;

(c) A certificate of Seller stating:

(i) That all representations, warranties, and covenants of Seller as set forth in this Agreement and other instruments delivered by Seller are true and correct as of the Closing Date;

(ii) Seller has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller at or prior to the Closing Date; and

(iii) The FCC has granted its consent and approval to the Assignment Application and to the transaction represented herein;

(e) Such other assignments, bills of sale, or instruments of conveyance, certificates of officers, and other documents as reasonably may be requested by Buyer to consummate this Agreement and the transaction contemplated hereby; and

11. Buyer's Performance At Closing. On the Closing Date at the Closing Place, Buyer shall execute and deliver or cause to be delivered to Seller, in form and substance reasonably satisfactory to Seller and its counsel:

(a) The Purchase Price as set forth in Section 1 hereof;

(b) A certificate of Buyer stating:

(i) All representations and warranties of Buyer as set forth in this Agreement or in any statement, certificate, exhibit or other document delivered pursuant to this Agreement by Buyer are true and correct in all material respects as of the Closing Date; and

(ii) Buyer has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Buyer at or prior to the Closing Date; and

(c) Such other documents as reasonably may be requested by Seller to consummate this Purchase Agreement and the transaction contemplated hereby.

12. Survival of Covenants, Representations and Warranties. All representations, warranties, covenants, and agreements contained in this Agreement shall survive the Closing Date.

13. Finders, Consultants and Brokers. The Parties hereto hereby represent and warrant to one another that there has been no finder, broker, or consultant involved in the negotiations leading up to the execution of this Agreement other than MCH Enterprises, whose fees shall be paid by Seller.

14. Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Purchase Agreement shall be in writing and shall be deemed duly given when given personally or mailed by registered or certified mail, return receipt requested, postage prepaid, or transmitted by facsimile, as follows:

(a) If to Seller:

Ms. Deanna Love  
26569 Spar Lane  
P.O. Box 1476  
Helendale, CA 92342  
Phone: (760) 900-8276  
Email: myfortress1123@gmail.com

(b) If to Buyer:

Mr. Jeff Chang  
Jeff Chang  
171 Main St. #200  
Los Altos, CA 94022  
Phone: (310) 403-5039  
Email: changmedia@aol.com

or any such other addresses as the Parties may from time to time designate in writing.

15. Assignability. This Agreement cannot be assigned without approval from the non-requesting party, which consent shall not be unreasonably withheld or delayed.

16. Confidentiality. The Parties agree to use their best efforts to keep confidential any and all information furnished to either of them by the other in the course of the negotiations and the business, technical, and legal reviews, except such information as may be available to the public or to the other from another source not under an obligation of confidentiality. In this regard, the Parties agree to execute and be bound by such written confidentiality agreements as shall be reasonably requested by either Party.

17. Other Documents. The Parties shall execute and deliver on a timely basis all such further and additional documents as shall be convenient, necessary, or desirable to the implementation and consummation of this Agreement.

18. Waiver. No waiver by a Party of any provision of this Agreement shall be considered a waiver of any other provision of any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a Party of any remedy provided in this Agreement or at law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or at law.

19. Exhibits. All exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth therein.

20. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California except for the choice of law rules utilized in that state, and the obligations of the Parties hereto are subject to all federal, state, and local laws and regulations now or hereafter in force and to the rules, regulations, and policies of the FCC and all other governmental entities or authorities presently or hereafter to be constituted.

21. Entire Agreement. This Agreement (including the attached exhibits) shall constitute the full and entire understanding of the Parties with respect to the subject matter hereof, and any prior agreement or understanding concerning the same is hereby terminated and canceled in its entirety and is of no further force and effect.

22. Binding Effect. This Purchase Agreement is binding upon and shall inure to the benefit of the Parties hereto, their respective agents, representatives, officers, directors, shareholders, affiliates, assigns, heirs, and successors in interest.

23. Arbitration. In the event of a dispute between the Parties with respect to:

(a) The interpretation of any of the provisions of the Agreement; or

(b) Whether either party is in breach of any portion of the Agreement; or

(c) Whether that breach is a "material breach", the Parties agree to submit the dispute to arbitration in accordance with the rules and procedures of the American Arbitration Association, and be bound by any decision or award rendered therein.

24. Warranty of Signatories. Each of the persons signing this Agreement on behalf of an entity warrants and represents that he has the right power, legal capacity and authority to execute this Agreement on behalf of such entity, without the concurrence or approval of any other person, any entity or any Court, and to thereby bind such entity to this Agreement.

25. Headings. The headings of the Sections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit, or describe the scope of this Agreement or the intent of any Section hereof.

26. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.

27. Amendments. This Agreement may be amended by mutual consent of the Parties, but only by a written instrument duly signed by the Parties to the Agreement.

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, the Parties hereto have executed this Purchase Agreement on the day and year first above written.

SELLER  
DEANNA LOVE

BY: Deanna Love  
Deanna Love

BUYER  
JEFF CHANG

BY: Jeff Chang  
Jeff Chang



## **EXHIBIT 1 ASSETS**

### **FCC Authorizations:**

FCC License:

File No.: BL-20140819ACA

### **Tangible Personal Property:**

1. ENERGY-ONIX (Pulsar) Transmitter 1000w (may need repair)
2. NAUTEL Transmitter JAZZJ 1000 Serial #B421
3. 1 each KINTRONIC LAB Antenna 1450 kHz. 3 leg antenna with transmitter matching box.
4. Telos system link system old studio to transmitter 2 each with antennas (may be on loan from Telos)
5. Telos system audio mixer (may be on loan from Telos)
6. ARBITRON Encoder S/N 602231
7. ARBITRON Encoder S/N 705329
8. ARBITRON Encoder w/o S/N
9. Telos system link system studio to transmitter (ZIP/ONE) 2 each with antennas.
10. ORBAN 9200 Broadcast Audio Processor S/N 310363
11. 2 each XP computers rack mount
12. SAGA Digital Encoder S/N B306899
13. Allen/Heath mixing boards 214X577461
14. Allen/Heath mixing boards S/N B14X251916
15. Allen/Heath mixing boards B214X 256225
16. Allen/Heath mixing boards S/N B214X577461 (New in box for replacement purposes)
17. Alesis Mixer Board S/N 4111013525700
18. Computer Music w/32" screen
19. Computer Streaming 20" screen
20. Computer Streaming Spare
21. 6 Microphones with various cables and stands
22. 3.0 cf refrigerator
23. Microwave oven
24. 20-inch rack cabinet 2 each
25. 7 each 2SP rack shelves
26. 2 Drawer File Cabinet
27. 4 Drawer File Cabinet
28. Computer 32" screen Production Studio
29. NUMARK CD Players 3 each S/N N31210261161653, N31309913108274, N31210261163038
30. 2 printers
31. 3 desks

32. 2 folding tables
33. 3 desk chairs
34. 1 lot misc. cables
35. 3 each internet telephones (2 studio, 1 transmitter)
36. UPS 4 (3 transmitter, 1 studio)
37. Music inventory on 2 computers
38. Misc. Power cables
39. Misc. Files and info. Relating to KQTE radio station

**EXHIBIT 2**  
**PURCHASE PRICE ALLOCATION**

Tangible Personal Property:	\$25,000
FCC Authorizations:	\$14,000
Goodwill:	\$ 1,000
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Total:	\$40,000.00